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RUCNASE/ASEAN MEMBER COLLECTIVE

UNCLAS KUALA LUMPUR 000145

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STATE FOR EAP/MTS - MIKE TAYLOR
DOE FOR NNSA/OFFICE OF THE SECOND LINE OF DEFENSE

E.O. 12958: N/A

TAGS: [EWWT](#) [ETRD](#) [PREL](#) [KNNP](#) [KTIA](#) [MY](#)

SUBJECT: U.S. AND MALAYSIA SIGN MEGAPORTS INITIATIVE MEMORANDUM OF UNDERSTANDING

¶1. On February 27, 2008, the United States and Malaysia signed a memorandum of understanding (MOU) to begin implementing the Megaports Initiative in Malaysia. The ceremony took place at Westport, which along with Northport constitute Port Klang, Malaysia's largest port and the initial location for Megaports' implementation in Malaysia. The MOU was signed by Ambassador Keith on behalf of the U.S. and by Dato Seri Abdul Rahman bin Abdul Hamid, Director General of Royal Malaysian Customs (RMC), on behalf of Malaysia.

¶2. The MOU culminated an effort dating back to 2004 to include Malaysia as a Megaports partner. Although the Malaysian Cabinet initially had approved Malaysia's participation, the U.S. and Malaysia were unable to reach an agreed MOU text until late 2007. The Malaysian Cabinet finally approved the MOU text in January 2008.

¶3. The Malaysians responsible for making Megaports operational at Port Klang were eager to make up for the delay in getting the MOU approved. Following the signing ceremony, Elly Melamed and Jeff Miller, of the Department of Energy/National Nuclear Security Administration (NNSA), Office of the Second Line of Defense, along with David Smith of Pacific Northwest National Laboratory and Michael Daniels of Sandia National Laboratories and econoff, met with Malaysian officials and the port operators to set the stage for implementation. RMC will continue to be the lead Malaysian agency for the initiative, working closely with the Atomic Energy Licensing Board and the Ministry of Science, Technology and Innovation.

¶4. The GOM officials told the U.S. delegation that they would facilitate the U.S. team's implementation of Megaports. Their detailed questioning of the U.S. team indicated they already have been considering various implementation options. Representatives from both Westport and Northport also expressed eagerness to implement the initiative. In subsequent tours of both ports, the U.S. team noted that the layout of the ports was particularly favorable to a robust implementation of Megaports.

¶5. NNSA is optimistic that Megaports can be fully implemented at Port Klang within one year. Miller, Smith and Daniels are planning to undertake a detailed technical survey of Westport and Northport in early April, to be followed by a detailed engineering plan. NNSA's lead U.S. contractor then would seek a Malaysian subcontractor to perform the necessary construction work, to begin in early fall.

¶6. As Megaports implementation gets underway at Port Klang, NNSA and the Embassy will push Malaysia to agree to expand Megaports to the Port of Tanjung Pelepas (PTP) in the southern state of Johor. PTP is a relatively new port that has quickly grown larger than either Northport or Westport (unlike the Port Klang operations, PTP largely handles transshipments). A PTP representative who attended the Megaports signing and subsequent meetings told the U.S. delegation

that the PTP authority hoped that PTP would be included in the
Megaports initiative as soon as possible.

KEITH